GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:794
ANSWERED ON:21.11.2016
Ethanol Blending Programme
Reddy Shri Ponguleti Srinivasa;Sharma Shri Jugal Kishore;Shetti Shri Raju alias Devappa Anna;Tanwar Shri Kanwar Singh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the mechanism and norms/criteria laid down by the Government to implement ethanol blending programme in the country;
(b) whether the Government has reduced the prices of ethanol and approved a new mechanism to determine the prices of ethanol to be procured by Oil Marketing Companies (OMCs);
(c) if so, the details thereof along with the progress made/target achieved by each Oil Marketing Company, company-wise to adhere to the norms prescribed for the purpose;
(d) whether the Government proposes to increase the ratio of blending of ethanol in petrol in the near future and if so, the details thereof along with any consultations held with various stakeholders in this regard and the follow-up action taken by the Government thereon and time by which the proposed target is likely to be achieved; and
(e) the details of the savings made so far from blending of ethanol and steps taken by the Government to promote and encourage use of ethanol blending in petrol and bio-diesel in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (INDEPENDENT CHARGE)
(SHRI DHARMENDRA PRADHAN)
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(a): The Government, through Oil Marketing Companies (OMCs), is implementing the Ethanol Blended Petrol (EBP) Programme under which, OMCs sell ethanol blended petrol with percentage of ethanol upto 10%. Also, the Government has allowed procurement of ethanol produced from other non-food feedstocks, like cellulosic and ligno cellulosic materials including petrochemical route.
(b) & (c) : The Government has fixed the price of ethanol for the ethanol supply year 2016-17 at Rs.39/ per litre. Additionally, Excise Duty, VAT/GST and transportation charges (as decided by OMCs) will be paid by OMCs.
OMCs have procured 103 crore litres of ethanol during the ethanol supply year 2015-16 (till 7.11.2016).
(d) : In 2015, the Government has asked OMCs to target 10 % blending of ethanol in as many States as possible. A Steering Committee and a Working Group on biofuels have been constituted in Ministry of Petroleum and Natural Gas. They are holding regular consultations with concerned stakeholders.
(e) : The potential foreign exchange savings due to blending of ethanol for the ethanol supply year 2015-16 is approximately USD 353 Million.
Also, the Government had announced a Bio-diesel Purchase Policy in October 2005. In August 2015, the Government has allowed sale of Bio-diesel (B100) by private manufacturers to bulk consumers. Moreover, retailing of bio-diesel blended diesel by Public Sector OMCs has started on 10th August, 2015
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